

Senate File 2109

FY 2016 Supplemental Appropriations Bill

Last Action:

Final Action

April 29, 2016

An Act relating to financial and regulatory matters by supplementing appropriations for the fiscal year beginning July 1, 2015, and including effective date provisions.

Fiscal Services Division
Legislative Services Agency

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at: <https://www.legis.iowa.gov/publications/information/appropriationBillAnalysis>

LSA Contact: Dave Reynolds (515-281-6934)

FUNDING SUMMARY

Senate File 2109 appropriates a total of \$72.4 million from the General Fund for FY 2016.

SUPPLEMENTAL APPROPRIATIONS

General Fund supplemental appropriation of \$67.0 million to the Department of Human Services to fund a projected shortfall in funding for the Medicaid Program for FY 2016. Page 1, Line 7

General Fund supplemental appropriation of \$1.9 million to the Department of Corrections to fund increased costs of the Department in FY 2016. Page 2, Line 15

General Fund supplemental appropriation of \$3.0 million to the Department of Inspections and Appeals to fund a projected shortfall in the Indigent Defense Fund for FY 2016. Page 3, Line 3

General Fund supplemental appropriation of \$450,000 to the Department of Administrative Services to fund a projected shortfall in FY 2016 utility expenses. Page 3, Line 23

SIGNIFICANT CODE CHANGES

Repeals two provisions included in HF 2459 (FY 2017 Standing Appropriations Bill) that make changes to electric transmission lines requirements relating to merchant line franchises. Page 3, Line 42

EFFECTIVE DATE

Provides that the supplemental appropriation for Medicaid is effective on enactment. Page 2, Line 10

Provides that the supplemental appropriation for the Department of Corrections is effective on enactment. Page 2, Line 37

Provides that the supplemental appropriation for the Department of Inspections and Appeals is effective on enactment. Page 3, Line 18

Provides that the supplemental appropriation for the Department of Administrative Services is effective on enactment. Page 3, Line 37

Senate File 2109 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
3	42	9	Amend New	478.6A.2.a,c

1 5 DIVISION I
 1 6 HEALTH AND HUMAN SERVICES

1 7 Section 1. MEDICAID. There is appropriated from the
 1 8 general fund of the state to the department of human services
 1 9 for the fiscal year beginning July 1, 2015, and ending June
 1 10 30, 2016, the following amount, or so much thereof as is
 1 11 necessary, to be used for the purposes designated:
 2 1 To supplement the appropriation made for medical assistance
 2 2 program reimbursement and associated costs in 2015 Iowa Acts,
 2 3 chapter 137, section 12, unnumbered paragraph 2:
 2 4 \$ 67,000,000

General Fund FY 2016 supplemental appropriation to the Department of Human Services (DHS) for the Medicaid Program.

DETAIL: During the 2015 Legislative Session, the DHS received a General Fund appropriation of \$1,303,191,564 for FY 2016. In January 2016, the Medicaid Forecasting Group estimated that the appropriation was \$87,000,000 short of meeting the projected need of the Program. The Medicaid Forecasting Group is comprised of staff members from the Department of Management, the Legislative Services Agency (LSA), and the DHS. The Group meets on a monthly basis to review revenues, expenditures, and the enrollment status of the Medicaid Program. At each meeting the Group agrees to estimates for the current and upcoming fiscal year to help provide guidance on policy and funding issues for policymakers. The latest estimates are available online at: <https://www.legis.iowa.gov/publications/fiscal/medicaid>.

2 5 Notwithstanding section 8.33, moneys appropriated in this
 2 6 division that remain unobligated or unexpended at the close
 2 7 of the fiscal year shall not revert but shall remain available
 2 8 to be used for the purposes designated until the close of the
 2 9 succeeding fiscal year.

Permits any unexpended funds appropriated for Medicaid in this bill to remain available for expenditure in FY 2017.

2 10 Sec. 2. EFFECTIVE UPON ENACTMENT. This division of this
 2 11 Act, being deemed of immediate importance, takes effect upon
 2 12 enactment.

Provides that this Division is effective on enactment.

2 13 DIVISION II
 2 14 DEPARTMENT OF CORRECTIONS

2 15 Sec. 3. GENERAL ADMINISTRATION. There is appropriated
 2 16 from the general fund of the state to the department of
 2 17 corrections for the fiscal year beginning July 1, 2015, and
 2 18 ending June 30, 2016, the following amount, or so much thereof
 2 19 as is necessary, to be used for the purposes designated:
 2 20 To supplement the appropriation made for general
 2 21 administration, including salaries, support, maintenance,
 2 22 employment of an education director to administer a
 2 23 centralized education program for the correctional system, and
 2 24 miscellaneous purposes in 2015 Iowa Acts, chapter 135, section
 2 25 4, subsection 1, unnumbered paragraph 1:
 2 26 \$ 1,900,000

General Fund FY 2016 supplemental appropriation to the Department of Corrections (DOC) to fund increased costs of the Department in FY 2016.

DETAIL: The appropriation is intended to cover a funding shortfall related to the closing of the Clarinda and Mount Pleasant Mental Health Institutes (MHIs) in FY 2016. Certain operating costs at these campuses were shared between the DOC correctional facilities and the MHIs. Funding for the MHIs is appropriated to the DHS in the Health and Human Services Appropriations Act. The MHIs at Clarinda and Mount Pleasant were closed at the end of FY 2015, and the FY 2016 appropriations for those facilities were vetoed by the Governor. As a result, the portion of the shared operating costs previously funded through the MHI appropriations became an obligation of the

Department of Corrections. The FY 2016 appropriations to the DOC for the Clarinda and Mount Pleasant correctional facilities were not adjusted to account for the increased costs.

2 27 It is the intent of the general assembly that a priority in
2 28 allocating the moneys appropriated in this section shall be
2 29 to supplement the amounts otherwise appropriated in 2015 Iowa
2 30 Acts, chapter 135, section 3, subsection 1, for the operation
2 31 of the Mount Pleasant and Clarinda correctional facilities.

Specifies that it is the intent of the General Assembly that the DOC give priority to the Mount Pleasant and Clarinda correctional facilities when allocating appropriated funds in this section.

2 32 Notwithstanding section 8.33, moneys appropriated in this
2 33 division that remain unobligated or unexpended at the close
2 34 of the fiscal year shall not revert but shall remain available
2 35 to be used for the purposes designated until the close of the
2 36 succeeding fiscal year.

Permits any unexpended funds appropriated for the DOC in this bill to remain available for expenditure in FY 2017.

2 37 Sec. 4. EFFECTIVE UPON ENACTMENT. This division of this
2 38 Act, being deemed of immediate importance, takes effect upon
2 39 enactment.

Provides that this Division is effective on enactment.

3 1 DIVISION III
3 2 DEPARTMENT OF INSPECTIONS AND APPEALS

3 3 Sec. 5. INDIGENT DEFENSE. There is appropriated from the
3 4 general fund of the state to the department of inspections and
3 5 appeals for the fiscal year beginning July 1, 2015, and ending
3 6 June 30, 2016, the following amount, or so much thereof as is
3 7 necessary, to be used for the purposes designated:

General Fund FY 2016 supplemental appropriation to the Office of the Public Defender in the Department of Inspections and Appeals (DIA) for the Indigent Defense Fund.

3 8 To supplement the appropriation made for payments on behalf
3 9 of eligible adults and juveniles from the indigent defense
3 10 fund, in accordance with section 815.11, in 2015 Iowa Acts,
3 11 chapter 135, section 11, subsection 2:

DETAIL: The appropriation will be used to fund a projected shortfall in FY 2016 in the Office of the State Public Defender. The Indigent Defense Fund has seen an overall increase in claims this fiscal year. Payments from the Fund have increased by approximately \$1,680,000, with 4,027 more claims at this point in FY 2016 than compared to the same period in FY 2015. Costs to the Indigent Defense Fund are projected to increase by an additional \$1,500,000 by the end of FY 2016. An increase in simple misdemeanor claims is a contributing factor to the cost increase. The Iowa Supreme Court ruling in State v. Young expanded a defendant's right to an attorney and resulted in increased demand for representation in simple misdemeanor cases. For stand-alone simple misdemeanor claims, payments from the Indigent Defense Fund have increased by \$219,500, or approximately 40.00%.

3 12 \$ 3,000,000

3 13 Notwithstanding section 8.33, moneys appropriated in this
3 14 division that remain unobligated or unexpended at the close
3 15 of the fiscal year shall not revert but shall remain available
3 16 to be used for the purposes designated until the close of the
3 17 succeeding fiscal year.

Permits any unexpended funds appropriated for the DIA in this bill to remain available for expenditure in FY 2017.

3 18 Sec. 6. EFFECTIVE UPON ENACTMENT. This division of this
 3 19 Act, being deemed of immediate importance, takes effect upon
 3 20 enactment.

Provides that this Division is effective on enactment.

3 21 DIVISION IV
 3 22 DEPARTMENT OF ADMINISTRATIVE SERVICES

3 23 Sec. 7. UTILITY COSTS. There is appropriated from the
 3 24 general fund of the state to the department of administrative
 3 25 services for the fiscal year beginning July 1, 2015, and
 3 26 ending June 30, 2016, the following amount, or so much thereof
 3 27 as is necessary, to be used for the purposes designated:

General Fund FY 2016 supplemental appropriation to the Department of Administrative Services (DAS) for utility costs.

3 28 To supplement the appropriation for utility costs made
 3 29 in 2015 Iowa Acts, chapter 141, section 1, subsection 1,
 3 30 paragraph "b":
 3 31 \$ 450,000

DETAIL: The appropriation will be used to fund a projected shortfall in the FY 2016 appropriation used for funding utility costs on the Capitol Complex. The additional funding is needed to cover increased costs resulting from rate increases by Mid-American Energy and the Des Moines Water Works. Based on current utility bills, the DAS estimates that the current FY 2016 appropriation is only sufficient to fund approximately 10 months of utility costs for the current fiscal year.

3 32 Notwithstanding section 8.33, moneys appropriated in this
 3 33 division that remain unobligated or unexpended at the close
 3 34 of the fiscal year shall not revert but shall remain available
 3 35 to be used for the purposes designated until the close of the
 3 36 succeeding fiscal year.

Permits any unexpended funds appropriated for DAS utility costs in this bill to remain available for expenditure in FY 2017.

3 37 Sec. 8. EFFECTIVE UPON ENACTMENT. This division of this
 3 38 Act, being deemed of immediate importance, takes effect upon
 3 39 enactment.

Provides that this Division is effective on enactment.

3 40 DIVISION V
 3 41 ELECTRIC TRANSMISSION LINES

3 42 Sec. 9. Section 478.6A, subsection 2, paragraphs a and
 3 43 c, Code 2016, if enacted by 2016 Iowa Acts, House File 2459,
 3 44 section 37, are amended by striking the paragraphs.

CODE: Repeals two provisions included in HF 2459 (FY 2017 Standing Appropriations Bill) that make changes to electric transmission lines requirements relating to merchant line franchises.

Summary Data

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Supp-Final Action FY 2016 <u>(3)</u>	2016 Est Net <u>(4)</u>
Administration and Regulation	\$ 2,568,909	\$ 2,568,909	\$ 450,000	\$ 3,018,909
Health and Human Services	1,309,486,529	1,303,191,564	67,000,000	1,370,191,564
Justice System	<u>35,171,939</u>	<u>35,021,939</u>	<u>4,900,000</u>	<u>39,921,939</u>
Grand Total	<u><u>\$ 1,347,227,377</u></u>	<u><u>\$ 1,340,782,412</u></u>	<u><u>\$ 72,350,000</u></u>	<u><u>\$ 1,413,132,412</u></u>

Administration and Regulation General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Supp-Final Action FY 2016 <u>(3)</u>	2016 Est Net <u>(4)</u>	Page and Line # <u>(5)</u>
<u>Administrative Services, Dept. of</u>					
Administrative Services					
Utilities	\$ 2,568,909	\$ 2,568,909	\$ 450,000	\$ 3,018,909	PG 3 LN 23
Total Administrative Services, Dept. of	<u>\$ 2,568,909</u>	<u>\$ 2,568,909</u>	<u>\$ 450,000</u>	<u>\$ 3,018,909</u>	
Total Administration and Regulation	<u><u>\$ 2,568,909</u></u>	<u><u>\$ 2,568,909</u></u>	<u><u>\$ 450,000</u></u>	<u><u>\$ 3,018,909</u></u>	

Health and Human Services General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Supp-Final Action FY 2016 <u>(3)</u>	2016 Est Net <u>(4)</u>	Page and Line # <u>(5)</u>
<u>Human Services, Dept. of</u>					
Assistance					
Medical Assistance	\$ 1,309,486,529	\$ 1,303,191,564	\$ 67,000,000	\$ 1,370,191,564	PG 1 LN 7
Total Human Services, Dept. of	<u>\$ 1,309,486,529</u>	<u>\$ 1,303,191,564</u>	<u>\$ 67,000,000</u>	<u>\$ 1,370,191,564</u>	
Total Health and Human Services	<u><u>\$ 1,309,486,529</u></u>	<u><u>\$ 1,303,191,564</u></u>	<u><u>\$ 67,000,000</u></u>	<u><u>\$ 1,370,191,564</u></u>	

Justice System General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Supp-Final Action FY 2016 <u>(3)</u>	2016 Est Net <u>(4)</u>	Page and Line # <u>(5)</u>
<u>Corrections, Dept. of</u>					
Central Office					
Corrections Administration	\$ 5,270,010	\$ 5,270,010	\$ 1,900,000	\$ 7,170,010	PG 2 LN 15
Total Corrections, Dept. of	<u>\$ 5,270,010</u>	<u>\$ 5,270,010</u>	<u>\$ 1,900,000</u>	<u>\$ 7,170,010</u>	
<u>Inspections & Appeals, Dept. of</u>					
Public Defender					
Indigent Defense Appropriation	\$ 29,901,929	\$ 29,751,929	\$ 3,000,000	\$ 32,751,929	PG 3 LN 3
Total Inspections & Appeals, Dept. of	<u>\$ 29,901,929</u>	<u>\$ 29,751,929</u>	<u>\$ 3,000,000</u>	<u>\$ 32,751,929</u>	
Total Justice System	<u><u>\$ 35,171,939</u></u>	<u><u>\$ 35,021,939</u></u>	<u><u>\$ 4,900,000</u></u>	<u><u>\$ 39,921,939</u></u>	